

**TOWNSHIP AMBULANCE AUTHORITY**

**ANTRIM COUNTY**

**FINANCIAL STATEMENTS**

**MARCH 31, 2004**

**AUDITING PROCEDURES REPORT**

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name Township Ambulance Authority	County Antrim
Audit Date 3-31-04	Opinion Date 5-11-04	Date Accountant Report Submitted to State: 7-26-04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.


We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

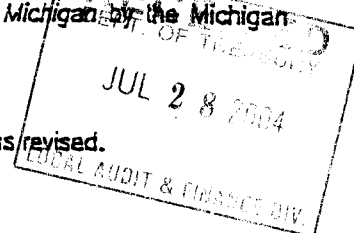
You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) Keskine, Cook, Miller, Smith & Alexander LLP			
Street Address 100 West First Street	City Gaylord	State MI	ZIP 49735
Accountant Signature 			



**TOWNSHIP AMBULANCE AUTHORITY**

CENTRAL LAKE

STANLEY BEAN

CHESTONIA

ROBERT BECKNER

CUSTER

ROBERT RICKSGERS

FOREST HOME

TERRY SMITH

HELENA

BRUCE WIERMAN

KEARNEY

TIM COMBEN

MANCELONA

MAURICE MCGLEISH

STAR

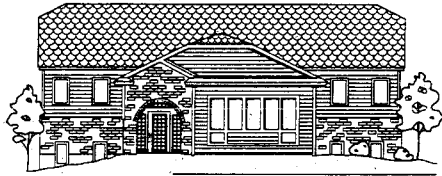
ARLEN TURNER

WARNER

MATTHEW DOBRZELEWSKI

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**Keskin, Cook, Miller, Smith & Alexander LLP**  
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

## **INDEPENDENT AUDITOR'S REPORT**

May 11, 2004

Members of the Board  
Township Ambulance Authority

We have audited the accompanying financial statements of the governmental activities and the major fund information of the Township Ambulance Authority, Antrim County, Michigan as of and for the year ended March 31, 2004, which collectively comprise the Authority's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund information of the Township Ambulance Authority, Antrim County, Michigan as of March 31, 2004, and the respective changes in financial position, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note B, the Authority has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", as of March 31, 2004.

The management's discussion and analysis, which immediately follows the independent auditor's report, and the budgetary comparison information on page 14, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*Keskin, Cook, Miller, Smith & Alexander, LLP*

Keskin, Cook, Miller, Smith & Alexander, LLP  
Certified Public Accountants

# **TOWNSHIP AMBULANCE AUTHORITY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Township Ambulance Authority annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended March 31, 2004. Please read it in conjunction with the financial statements that immediately follow this section.

### **Financial Highlights**

Our financial status improved over the last year. Assets increased by approximately \$189,000. Total assets are now \$402,000 of which \$118,000 represents capital assets.

Overall revenues were \$325,498 and overall expenses were \$136,465 in the statement of activities.

We incurred no debt during the year. We purchased a 2003 Ford Ambulance for \$74,500 and a new "life pak" system for \$22,000. We also continued to receive our primary ambulance service from Allied EMS Systems, Inc. for an annual cost of \$116,000.

### **Overview of the Financial Statements**

This annual report consists of three parts; management's discussion and analysis, the basic financial statements and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the entity.

The first two statements are entity wide financial statements and provide both long and short-term information about our overall financial status. These statements present government activities.

The remaining statements are fund financial statements, which focus on detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

## **Entity Wide Statements**

The entity wide statements report information about the Authority as a whole, using accounting methods used by private companies. The statement of net assets includes all the Authority's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

The two entity wide statements report net assets and how they have changed. Net assets are the difference between the Authority's assets and liabilities and this is one method to measure the Authority's financial health or position.

Over time, increases or decreases in the Authority's net assets are an indicator of whether financial position is improving or deteriorating.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the Authority's funds. Funds are established to account for funding and spending of specific financial resources and to show proper expenditure of those resources.

The entity has the following kind of funds:

*Governmental Fund* – All of the Authority's activities are included in one general fund, classified in the governmental fund category. This fund is presented on the modified accrual basis, which is designed to show short-term financial information. You will note that differences between the entity wide statements and the fund statements are disclosed in the reconciling financial statements to explain the differences between them.

## **Financial Analysis of the Entity as a Whole**

Net Assets – the Authority's net assets increased during the year ended March 31, 2004, totaling \$402,000, of which \$118,000 is invested in capital assets, leaving \$284,000 in unrestricted net assets. The increase in net assets relates to the purchase of capital assets. The unrestricted net assets will be used for future capital asset purchases and operating expenses.

## **Financial Analysis of the Authority's Funds**

Amendments to our budget for the year ended March 31, 2004 were to cover increased expenses for capital outlay and certain operational expenditures.

## **Capital Assets**

Our capital assets include the equipment purchased from "Life + Link" when the Authority was formed, and the purchase of the 2003 Ford Ambulance and a new Lifepak system.



### **Known Factors affecting Future Operations**

None.

### **Contacting Authority Management**

This financial report is designed to provide our taxpayers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the revenues it receives. If you have questions concerning this report, please contact the following members of the Authority:



Terry Smith, Forest Home Township



Maurice McGleish, Mancelona Township

**TOWNSHIP AMBULANCE AUTHORITY  
STATEMENT OF NET ASSETS  
MARCH 31, 2004**

**ASSETS**

**Current Assets:**

Cash	\$ 228,871
Current Taxes Due from Townships	40,630
Delinquent Taxes Receivable	36,567
	<hr/>
Total Current Assets	306,068
	<hr/> <hr/>

**Capital Assets:**

Fixed Assets - Original Purchase	36,000
Vehicles	74,552
Equipment	22,000
	<hr/>
	132,552
Less, Accumulated Depreciation	(14,591)
	<hr/>
Total Capital Assets	117,961
	<hr/>
Total Assets	424,029
	<hr/> <hr/>

**LIABILITIES**

Accounts Payable	22,000
	<hr/>

**NET ASSETS**

Unrestricted Net Assets	284,068
Investment in Capital Assets	117,961
	<hr/>
Total Net Assets	\$ 402,029
	<hr/> <hr/>

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2004**

	<u>P R O G R A M   R E V E N U E S</u>				<u>NET REVENUE/ (EXPENSE) AND CHANGES IN NET ASSETS</u>
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS &amp; CONTRIBUTIONS</u>	<u>CAPITAL GRANTS &amp; CONTRIBUTIONS</u>	
<b>GOVERNMENTAL ACTIVITIES</b>					
Ambulance Service	\$ (136,465)	-	-	-	\$ (136,465)
<b>GENERAL REVENUES</b>					
Property Taxes:					
Forest Home					65,070
Kearney					55,599
Central Lake					46,453
Mancelona					39,928
Helena					39,831
Custer					38,514
Star					15,367
Warner					14,608
Chestonia					7,735
Delinquent Personal Property					2,393
Total General Revenues					325,498
<b>CHANGE IN NET ASSETS</b>					189,033
<b>NET ASSETS - APRIL 1, 2003</b>					212,996
<b>NET ASSETS - MARCH 31, 2004</b>					\$ 402,029

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY  
BALANCE SHEET  
GOVERNMENTAL FUND  
MARCH 31, 2004**

	<b>GENERAL FUND</b>
<b>ASSETS:</b>	
Cash	\$ 228,871
Taxes Receivable:	
Current Taxes Due from Townships	40,630
Delinquent Taxes - County	36,567
	<hr/>
Total Assets	306,068
	<hr/> <hr/>
<b>LIABILITIES:</b>	
Accounts Payable	\$ 22,000
	<hr/>
<b>FUND EQUITY:</b>	
Fund Balance	284,068
	<hr/>
Total Fund Equity	284,068
	<hr/>
Total Liabilities and Fund Equity	\$ 306,068
	<hr/> <hr/>

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
MARCH 31, 2004**

<b>TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES PER BALANCE SHEET - PAGE 3</b>	<b>\$ 284,068</b>
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Amounts reported for governmental activities in the Statement of Net Assets (page 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore not used in the funds.	117,961
	<hr/>

<b>TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES PER STATEMENT OF NET ASSETS - PAGE 1</b>	<b>\$ 402,029</b>
	<hr/> <hr/>

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED MARCH 31, 2004**

	<b>GENERAL FUND</b>
<hr/>	
<b>REVENUES:</b>	
<b>Property Taxes:</b>	
Forest Home	\$ 65,070
Kearney	55,599
Central Lake	46,453
Helena	39,831
Mancelona	39,928
Custer	38,514
Star	15,367
Warner	14,608
Chestonia	7,735
Delinquent Personal Prop. Taxes	2,393
	<hr/>
Total Revenues	325,498
	<hr/>
<b>EXPENDITURES:</b>	
Contactual Services	116,047
Capital Outlay	96,552
Fuel	3,178
Insurance	1,767
Audit	1,750
Legal Services	468
Printing	215
Supplies	86
Mileage Reimbursement	84
Postage	20
Miscellaneous	60
	<hr/>
Total Expenditures	220,227
	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	105,271
	<hr/>
<b>FUND BALANCE - APRIL 1, 2003</b>	178,797
	<hr/>
<b>FUND BALANCE - MARCH 31, 2004</b>	\$ 284,068
	<hr/> <hr/>

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED MARCH 31, 2004**

**NET CHANGE IN FUND BALANCES**

<b>TOTAL GOVERNMENTAL FUNDS - PAGE 5</b>	<b>\$ 105,271</b>
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Amounts reported for governmental activities in the statement of activities (page 2) are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives.

96,552

Depreciation expense, recorded in the statement of activities but not in the governmental fund financial statements.

(12,790)

<b>CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES PER THE STATEMENT OF ACTIVITIES - PAGE 2</b>	
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	<u><u>\$ 189,033</u></u>
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See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004**

**NOTE A: ENTITY**

The Township Ambulance Authority was established under Public Act 57 of 1988, in November, 2002, in order to provide a stable and reliable ambulance service to the participating Townships: Central Lake, Chestonia, Custer, Forest Home, Helena, Kearney, Mancelona, Star and Warner. Each township will have one resident represented on the nine member board. Upon dissolution, all assets and debts of the Authority shall be divided among the member townships according to each township's state equalized value – and it's relationship to the Authority's state equalized value.

**NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting framework and the more significant accounting principles and practices of the Township Ambulance Authority are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations, including required disclosures of the Authority's financial activities.

The accounting policies of the Township Ambulance Authority conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On April 1, 2003, the Township Ambulance Authority adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

Under the provisions of GASB Statements No. 34 and 38, the focus of the Authority's financial statements has shifted from a fund focus to a government-wide focus.



**TOWNSHIP AMBULANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004**

**NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION**

***Government-Wide Financial Statements***

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Authority as a whole.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. The Authority has one fund and one functional activity – ambulance services. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Authority's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not included with program revenues are reported as general revenues.

***Fund Financial Statements***

Fund financial statements are provided for the Authority's governmental fund.

The measurement focus and basis of accounting for the government-wide and fund financial statements are described in a subsequent section of this note.

**FUND TYPE AND MAJOR FUND**

***Governmental Fund***

The Authority reports the following major governmental fund:

*General Fund* - This fund is used to account for all financial transactions of the Township Ambulance Authority. The Authority's primary source of revenue is from Township property taxes "earmarked" for ambulance services. These taxes are received from the nine participating Townships throughout the year.

**TOWNSHIP AMBULANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004**

**NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles (GAAP). The Authority's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements, and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Authority does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

**Government-Wide Financial Statements**

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Reimbursements are reported as reductions to expenses. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

**Governmental Fund Financial Statements**

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Authority considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: property taxes and investment income. In general, other revenues are recognized when cash is received.

**TOWNSHIP AMBULANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004**

**NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BUDGET**

An annual budget is required of the Township Ambulance Authority. The budget is open to the public for their consideration before final adoption. The Townships also individually review and approve the budget. Upon completion of the public hearing, the budget was adopted on a fund level using the modified accrual basis of accounting. The budget was amended as necessary throughout the year. Both the original and amended budgets are presented in these financial statements, as a part of required supplementary information. Budgets as adopted end on March 31st of each year. There are no carryover budget items.

Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. No overexpenditures were noted for the year ended March 31, 2004.

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**RESTRICTED RESOURCES**

The Authority currently has no restricted resources.

**CAPITAL ASSETS AND DEPRECIATION**

The Authority's property, plant, and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The Authority has no infrastructure assets. Donated assets are stated at fair value on the date donated. The Authority generally capitalizes assets with a cost of \$1,000 or more.

**TOWNSHIP AMBULANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004**

**NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**CAPITAL ASSETS AND DEPRECIATION (CONTINUED)**

Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	25 – 40
Land Improvements	10 – 20
Furniture, Machinery, and Equipment	5 – 10
Vehicles	5 – 10

Land and construction in progress are not depreciated.

For information describing capital assets, see Note E.

**LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND  
DISCOUNTS/PREMIUMS**

The Township Ambulance Authority currently has no debt.

**NOTE C: CASH AND INVESTMENTS**

Cash consists of bank accounts with original maturities of 90 days or less.

All cash deposits are maintained in financial institutions in the Antrim County area. The Authority's deposits are categorized to give an indication of the level of risk assumed by the Authority at fiscal year-end. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the Authority by its agent or in the Authority's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

Category 3 - Uncollateralized and uninsured.

**TOWNSHIP AMBULANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004**

**NOTE C: CASH AND INVESTMENTS (CONTINUED)**

	<b>Bank Balance</b>	<b>1</b>	<b>Category 2</b>	<b>3</b>	<b>Carrying Amount</b>
Cash Deposits	229,035	100,000		129,035	228,871

**NOTE D: TAXES RECEIVABLE**

The following amounts were due from the participating townships at March 31, 2004:

	<u>Current Taxes</u>	<u>Delinquent Taxes</u>
Central Lake	\$ -	\$ 4,101
Chestonia	6,649	1,116
Custer	6,102	4,737
Forest Home	2	4,525
Helena	698	2,452
Kearney	14,869	8,764
Mancelona	9,123	6,984
Star	3,152	2,121
Warner	<u>35</u>	<u>1,767</u>
	<u>\$ 40,630</u>	<u>\$ 36,567</u>

**TOWNSHIP AMBULANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004**

**NOTE E: CAPITAL ASSETS AND DEPRECIATION**

The following table provides a summary of changes in capital assets:

	<u>BALANCE</u> <u>APRIL 1, 2003</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>MARCH 31, 2004</u>
<b>CAPITAL ASSETS, DEPRECIATED</b>				
"Original" Assets	\$ 36,000	\$ -	\$ -	\$ 36,000
Vehicles	-	74,552	-	74,552
Equipment	-	22,000	-	22,000
Total	36,000	96,552	-	132,552
Accumulated Dep.	(1,800)	(12,791)	-	(14,591)
Total Capital Assets, Net of Accumulated Dep.	<u>\$ 34,200</u>	<u>\$ 83,761</u>	<u>\$ -</u>	<u>\$ 117,961</u>

**NOTE F: CONTRACTS**

The Authority has entered into an "Ambulance Management Service Contract with **Allied EMS Systems, Inc.** and **Life + Link Inc.** (both Michigan nonprofit corporations). In summary, the Authority purchased Life + Link's capital assets for \$36,000 and contracted with Allied for operational ambulance services. A **subsidy** shall be paid by the Authority to Allied to "cover" the estimated total operating loss for each calendar year. For 2004, the estimated loss is \$113,049, of which \$56,525 (50%) was paid in December, 2003. Additionally \$28,415 was paid in January, 2004, to cover the fourth quarter loss for 2003.

The contract term is January 1, 2003 through December 31, 2005.

**NOTE G: INSURANCE**

The Authority does maintain "bond surety" coverage for certain board members. Liability coverage is part of the contractual agreement with Allied.

**TOWNSHIP AMBULANCE AUTHORITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED MARCH 31, 2004**

	<b>ORIGINAL BUDGET</b>	<b>FINAL AMENDED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FROM FINAL AMENDED BUDGET</b>
<b>REVENUES:</b>				
<b>Property Taxes:</b>				
Forest Home	\$ 65,000	\$ 65,000	\$ 65,070	\$ 70
Kearney	55,500	55,500	55,599	99
Central Lake	46,000	46,000	46,453	453
Mancelona	39,500	39,500	39,928	428
Helena	39,500	39,500	39,831	331
Custer	38,500	38,500	38,514	14
Star	15,000	15,000	15,367	367
Warner	14,500	14,500	14,608	108
Chestonia	7,500	7,500	7,735	235
Delinquent Personal Prop. Taxes	-	-	2,393	2,393
<b>Total Revenues</b>	<b>321,000</b>	<b>321,000</b>	<b>325,498</b>	<b>4,498</b>
<b>EXPENDITURES:</b>				
Contactual Services	108,000	116,047	116,047	-
Capital Outlay	-	96,552	96,552	-
Fuel	-	5,000	3,178	1,822
Insurance	60	1,827	1,767	60
Audit	5,000	5,000	1,750	3,250
Legal Services	2,500	2,500	468	2,032
Printing	1,200	1,200	215	985
Supplies	1,000	1,000	86	914
Mileage Reimbursement	100	100	84	16
Postage	100	100	20	80
Miscellaneous	1,000	1,000	60	940
<b>Total Expenditures</b>	<b>118,960</b>	<b>230,326</b>	<b>220,227</b>	<b>10,099</b>
Excess (Deficiency) of Revenues Over Expenditures	202,040	90,674	105,271	14,597
<b>FUND BALANCE - APRIL 1, 2003</b>	178,797	178,797	178,797	-
<b>FUND BALANCE - MARCH 31, 2004</b>	<b>\$ 380,837</b>	<b>\$ 269,471</b>	<b>\$ 284,068</b>	<b>\$ 14,597</b>

See accompanying notes to the financial statements